

REMARKS¹

In the Office Action mailed November 3, 2006 (hereinafter, "Office Action"), the Examiner rejected claims 31-36 under 35 U.S.C. § 112, second paragraph; rejected claims 1, 7-11, 17-21, 27-33, and 35-36 under 35 U.S.C. § 102(b) as being anticipated by U.S. Patent No. 6,018,718 issued to Walker et al. (hereinafter, "*Walker*"); and rejected claims 5, 6, 15, 16, 25, 26, and 34 under 35 U.S.C. § 103(a) as being unpatentable over *Walker*.

By this amendment, Applicants have amended claims 31, 32, 35, and 36. No new matter has been added. Accordingly, claims 1, 5-11, 15-21, and 25-36 remain pending.

In light of the foregoing amendments and based on the arguments presented below, Applicants respectfully traverse the rejections of the claims under 35 U.S.C. §§ 112, 102(b), and 103(a), and request the allowance of pending claims 1, 5-11, 15-21, and 25-36.

I. Claim Rejections Under 35 U.S.C. § 112, Second Paragraph

Claims 31-36 stand rejected under 35 U.S.C. § 112, second paragraph, as allegedly being indefinite. While Applicants respectfully disagree with the characterizations and assertions presented in the Office Action, Applicants have amended claims 31, 32, and 36 to expedite prosecution.

With respect to claims 35 and 36, the Office Action states that "[c]laims 35 and 36 provide further limitations when the a value is greater than and less than a specific

¹ The Office Action contains a number of statements reflecting characterizations of the cited art and the claims. Regardless of whether any such statement is identified herein, Applicants decline to automatically subscribe to any statement or characterization in the Office Action.

criteria but is indefinite as to the modification applied when the value is equal to the criteria.” Further, the Office States that “[t]his omission requires the examiner to assume that no modification is made ... [and the] need for such assumption indicates a failure to distinctly claim the subject matter.” Office Action, page 3.

The MPEP states that “[t]he primary purpose of this requirement of definiteness of claim language is to ensure that the scope of the claims is clear so the public is informed of the boundaries of what constitutes infringement of the patent.” MPEP § 2173. “If the language of the claims is such that a person of ordinary skill in the art could not interpret the metes and bounds of the claim so as to understand how to avoid infringement, a rejection of the claim under 35 U.S.C. § 112, second paragraph, would be appropriate.” MPEP § 2173.02.

Applicants respectfully assert that the language of claims 35 and 36 are not indefinite. Rather, the recitations of the claims constitute the scope of the claimed subject matter. As such, the recited scope is in compliance with the aforementioned guidance. 35 U.S.C. § 112, second paragraph, is not a tool to force Applicants to revise the scope of their claims to include recitations regarding when a value is equal to a criteria, when the claims, as presented, provide clear and unambiguous language pertaining to certain claimed embodiments. That is, the recitation of claims 35 and 36 are such that a person of ordinary skill in the art could interpret the metes and bounds of the claims so as to understand how to avoid infringement. Therefore, claims 35 and 36 are neither indefinite nor do they “fail to distinctly claim the subject matter,” as alleged in the Office Action. Office Action, page 3.

Accordingly, based on these amendments and the arguments contained herein, Applicants request the rejection of claims 31-36 under 35 U.S.C. § 112, second paragraph be withdrawn and the claims allowed.

II. Claim Rejections Under 35 U.S.C. § 102(b)

Applicants respectfully traverse the rejection of claims 1, 7-11, 17-21, 27-33, and 35-36 under 35 U.S.C. § 102(b) as being anticipated by *Walker*. A proper anticipation rejection requires each and every element set forth in the claim be found, either expressly or inherently described, in a single prior art reference. See MPEP § 2131. The anticipation rejection set forth in the Office Action does not properly establish that each and every claimed element of the rejected claims is found in *Walker*.

Walker is directed towards a “method . . . for providing and managing a customized reward offer to a holder of a financial account . . . includ[ing] the step[s] of determining a first performance target associated with the financial account . . . selecting a reward offer having an associated reward description and transmitting the first performance target and the reward description to the account holder.” *Walker*, column 3, lines 16-25. *Walker* further describes a “performance target and corresponding reward offered to a particular card holder account.” *Id.* at column 5, lines 63-64. *Walker* states “[t]he type of performance target applicable to a card holder account is generally selected from a set of target types defined by the credit card issuer” and provides examples of performance targets, such as, target quarterly charge volume, target quarterly outstanding balance, target number of transactions per month, target monthly principle payments, target annual purchases at specific merchants, and target balance transfer amounts. *Id.* at column 6, lines 19-29. *Walker* further discloses

a “reward terms element . . . to provide rewards to a credit card account in the event the performance target has been achieved.” *Id.* at column 6, lines 48-52.

A. Claims 1, 7-11, 17-21, and 27-30

The Office Action asserts that “Walker discloses . . . wherein determining the amount of reward points includes reducing the amount of reward points based on a determination that at least one of the received payment amount is below a minimum payment amount or the received payment was received after a payment due date.” Office Action, pages 4 and 8 (referring to claims 1 and 21); See *also* Office Action, page 6 (referring to claim 11). However, that is not correct. Instead, *Walker* teaches “[i]f the card holder performance value is less than or equal to the 90% of the first 416, CCI 200 determines the second target parameter . . . and **sets the second reward terms equal to the first reward terms**” *Id.* at column 11, lines 6-10 (emphasis added). *Walker* states, “[t]his is intended to **reduce the target** to enable to cardholder to achieve it.” *Id.* at column 11, lines 11-12 (emphasis added).

The Office Action further states that “[s]hould the consumer not achieve the performance value [which can be a payment amount] Walker teaches that the reward amount can be reduced if a lower target such as 90% of the performance value is achieved.” Office Action, page 17. However, this appears to be a misstatement of the teachings of *Walker*. That is, referring to Figure 6, *Walker* states that “[i]f the card holder has failed to achieve the performance targets determined at step 612, no rewards are awarded, as shown by step 628.” *Walker*, column 10, lines 7-9 (emphasis added). Referring to Figure 7, *Walker* states “[i]f the card hold performance had failed

to meet the performance target, the card holder would not be eligible for a reward, as shown at step 712.” *Id.* at column 10, lines 28-30 (emphasis added).

Accordingly, *Walker* does not teach “wherein determining the amount of reward points includes reducing the amount of reward points based on a determination that at least one of the received payment amount is below a minimum payment amount or the received payment was received after a payment due date,” as recited in Applicants’ independent claims 1 and 21 (emphasis added). In addition, *Walker* fails to teach “wherein the means for determining the amount of reward points includes means for reducing the amount of reward points based on a determination that at least one of the received payment amount is below a minimum payment amount or the received payment was received after a payment due date,” as recited in Applicants’ independent claim 11 (emphasis added). Rather, *Walker* teaches that a reward is not awarded.

Accordingly, the cited art does not support the rejection of claims 1, 11, and 21 under 35 U.S.C. § 102(b). Therefore, Applicants request the rejection of claims 1, 11, and 21 under 35 U.S.C. § 102(b) be withdrawn and the claims allowed.

Claims 7-10 depend from claim 1. Claims 17-20 depend from claim 11. Claims 27-30 depend from claim 21. As explained, the rejection of claims 1, 11, and 21 are legally deficient and not supported by the cited art. Accordingly, for at least the same reasons set forth in connection with claims 1, 11, and 21, the rejection of claims 7-10, 17-20, and 27-30 are also legally deficient and should be withdrawn, and the claims allowed.

B. Claims 31-33 and 35-36

Although the Office Action indicates that claims 32, 35, and 36 are rejected under 35 U.S.C. § 102(b) as anticipated by *Walker*, the Office Action does not address the limitations found in those claims. Office Action, pages 4, 10, 11.

37 C.F.R. § 1.104(c) requires the Examiner to provide more than merely stating a reference meets the limitations of a rejected claim. "When a reference is complex or shows or describes inventions other than that claimed by Applicant, the particular part relied on must be designated as nearly as practicable. The pertinence of each reference, if not apparent, must be clearly explained and each rejected claim specified." 37 C.F.R. § 1.104(c)(2). In this case, not only are the references asserted by the Examiner complex and describe many different embodiments, the Examiner improperly ignores the recitations of claims 32, 35, and 36. As such, the Examiner's rejection of each of these claims under 35 U.S.C. § 102(b) does not meet the requirements of 37 C.F.R. § 1.104, and thus is improper. Further, to establish *prima facie* anticipation under 35 U.S.C. § 102(b), the Examiner must show, *inter alia*, that the applied reference teaches each and every element recited in the claims. M.P.E.P. § 2131. Here, by ignoring the recitations of claims 32, 35, and 36, the Examiner has failed to show how the cited art teaches the recitations of these claims. As a result, the rejection of each of these claims does not meet the requirements of at least M.P.E.P. § 2131 and 35 U.S.C. § 102(b), and thus is legally improper.

Further, with respect to claim 36, a rejection under 35 U.S.C. § 102(b) is also improper because claim 36 depends from claim 34, and claim 34 stands rejected under

35 U.S.C. § 103(a). As a result, the rejection of claim 36 is legally deficient and should be withdrawn.

With respect to claim 31, the Office Action alleges that “Walker discloses a method for managing a financial account for a consumer, comprising: [p]roviding a reward incentive parameter for the financial account that indicates a first amount of reward points . . . [d]etermining a second amount of reward points to associate with the financial account . . . [d]etermining a third amount of reward points . . . [m]odifying the second amount of reward points based on the third amount of reward points . . . and [a]ssociating the second amount of reward points with the financial account” Office Action, page 10. For each of these limitations, the Office Action relies on the same portions in *Walker*. *Id.* However, as explained below, *Walker* does not teach the recitations of claim 31 as asserted by the Examiner.

While *Walker* generally states “that multiple targets and rewards could be determined for some or all card holder accounts,” *Walker* does not teach or suggest a first, second, or third amount of reward points. *Walker*, column 8, lines 52-53. Instead, *Walker* refers to first and second performance targets and first and second rewards terms. See *Id.* at column 4, lines 20-21 and 24, column 11, lines 8-10 and 27-29. For example, *Walker* states that “[i]f the card holder performance value is less than or equal to 90% of the first target parameter 416, CCI 200 determines the second target parameter by multiplying the first target parameter by 0.9, and sets the second reward terms equal to the first reward terms” *Id.* at column 11, lines 6-10. In addition, *Walker* states that “[i]f the card holder performance value is less than or equal to 125% of the first performance target . . . CCI 200 sets the second target parameter at 1.25

times the first target parameter and sets the second reward terms at 1.1 times the first reward terms” *Id.* at column 11, lines 24-29.

First, Applicants do not agree that either the first and second performance targets or first and second rewards terms discussed in *Walker* are equivalent to Applicants’ claimed first, second, or third amount of reward points. Indeed, they are not. As discussed above, exemplary performance targets discussed by *Walker* include: target quarterly charge volume, target quarterly outstanding balance, target number of transactions per month, target monthly principle payments, target annual purchases at specific merchants, and target balance transfer amounts. See *Id.* at column 6, lines 19-29. *Walker* further states that “[r]eward terms element 420 stores a code representing the terms of the reward associated with the record” and “the data of reward terms field 420 [is used] to provide rewards to a credit card account in the event the performance target has been achieved.” *Id.* at column 6, lines 48-52. Thus, referring to FIG. 4 and the cited passages of *Walker*, the reward terms appear to be nothing more than mathematical formulas for determining reward amounts when the performance targets are met.

However, even if the first and second performance targets or first and second rewards terms discussed in *Walker* are equivalent to Applicants’ claimed first or second amount of reward points, which Applicants do not concede, *Walker* does not teach or suggest a third amount of reward points, and *Walker* does not teach or suggest “modifying the second amount of reward points based on the third amount of reward points,” as claimed in independent claim 31. Instead, *Walker* clearly teaches that both the first reward terms and first performance targets are modified by constant numerical

values in order to set the second reward terms and second performance targets - none of which are equivalent to Applicants' claimed first or second amount of reward points.

Thus, *Walker* fails to disclose "providing a reward incentive parameter for the financial account that indicates a first amount of reward points," determining a second amount of reward points to associate with the financial account," "determining a third amount of reward points," "modifying the second amount of reward points based on the third amount of reward points," and "associating the second amount of reward points with the financial account," as recited in Applicants' amended independent claim 31 (emphasis added).

Accordingly, the cited art does not support the rejection of claim 31 under 35 U.S.C. § 102(b). Therefore, Applicants request the rejection of claim 31 under 35 U.S.C. § 102(b) be withdrawn and the claim allowed.

Claims 32, 33, 35, and 36 depend from claim 31. As explained, the rejection of claim 31 is legally deficient and not supported by the cited art. Accordingly, for at least the same reasons set forth in connection with claim 31, the rejection of claims 32, 33, 35, and 36 are also legally deficient and should be withdrawn, and the claims allowed.

III. Claim Rejections Under 35 U.S.C. § 103(a)

Applicants respectfully traverse the rejection of claims 5, 6, 15, 16, 25, 26, and 34 under 35 U.S.C. § 103(a) as unpatentable over *Walker* because the Examiner has not established a *prima facie* case of obviousness as required under 35 U.S.C. § 103(a).

To establish a *prima facie* case of obviousness under 35 U.S.C. § 103(a), each of three requirements must be met. First, the references, taken alone or in combination, must teach or suggest each and every element recited in the claims. Second, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to combine the references in a manner resulting in the claimed invention. Third, a reasonable expectation of success must exist. Moreover, each of these requirements must “be found in the prior art, and not be based on applicant’s disclosure.”

See M.P.E.P. § 2143 (8th ed. 2001).

The Office Action asserts that “Walker discloses . . . wherein determining an amount of reward points includes reducing the amount of reward points based on a determination that the customer came close to achieving their designated performance value.” Office Action, pages 4 and 8 (referring to independent claims 1 and 21, from which claims 5-6 and 35-26 respectively depend). Additionally, the Office Action asserts that “Walker discloses . . . wherein the means for determining an amount of reward points includes means for reducing the determined amount of reward points based on a determination that the customer came close to achieving their designated performance value.” Office Action, page 6 (referring to independent claim 11, from which claims 15-16 depend).

However, as discussed above in connection with the rejection of independent claims 1, 11, and 21, *Walker* does not teach or suggest “wherein determining an amount of reward points includes reducing an amount of reward points (emphasis added),” nor does *Walker* teach or suggest “wherein the means for determining an amount of reward points includes means for reducing an amount of reward points

(emphasis added).” Rather, *Walker* teaches that **a reward is not awarded** when certain performance targets are not met.

Thus, neither *Walker*, nor any obvious variant thereof, overcomes the deficiencies set forth above, such as, “wherein determining the amount of reward points includes reducing the determined amount of reward points based on a determination that at least one of the received payment amount is below a minimum payment amount or the received payment was received after a payment due date” and “wherein the means for determining the amount of reward points includes means for reducing the determined amount of reward points based on a determination that at least one of the received payment amount is below a minimum payment amount or the received payment was received after a payment due date,” as recited in Applicants’ amended claims 1, 11, and 21, from which claims 5-6, 15-16, and 25-26 respectively depend (emphasis added).

Also, as discussed above in connection with the rejection of independent claim 31, *Walker* does not teach or suggest a first, second, or third amount of reward points. Instead, *Walker* appears to teach the use of mathematical formulas (e.g., reward terms) for determining reward amounts when the performance targets are met.

Thus, neither *Walker*, nor any obvious variant thereof, overcomes the deficiencies set forth above, such as, “providing a reward incentive parameter for the financial account that indicates a first amount of reward points,” “determining a second amount of reward points to associate with the financial account,” “determining a third amount of reward points,” “modifying the second amount of reward points based on the third amount of reward points,” and “associating the second amount of reward points

with the financial account," as recited in Applicants' amended independent claim 31, from which claim 34 depends.

For at least these reasons, Applicants submit that neither *Walker*, nor any obvious variant thereof, teaches or suggests all of the recitations of Applicants' claims 5, 6, 15, 16, 25, 26, and 34. Thus, Applicants respectfully request that the rejections of claims 5, 6, 15, 16, 25, 26, and 34 under 35 U.S.C. § 103(a) be withdrawn and the claims allowed.

IV. Conclusion

In view of the foregoing remarks, Applicants submit that this claimed invention is neither anticipated nor rendered obvious in view of the cited art references. Therefore, Applicants respectfully request reconsideration of this application and the timely allowance of pending claims 1, 5-11, 15-21, and 25-36.

If the Examiner believes a telephone conversation might advance prosecution, the Examiner is invited to call Applicants' representative at 202-408-4263.

Please grant any extensions of time required to enter this response and charge any additional required fees to our deposit account 06-0916.

Respectfully submitted,

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